



Department of Justice

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**JUSTICE DEPARTMENT REQUIRES BANK OF BOSTON AND BAYBANKS TO DIVEST
MORE THAN 20 BRANCHES, WORTH \$860 MILLION, IN ORDER TO MERGE**

WASHINGTON, D.C. -- The Department of Justice reached an agreement today with Bank of Boston and BayBanks that will allow their \$2 billion proposed merger to go forward after they agreed to sell off 20 bank branch offices with total deposits of about \$860 million to USTrust to resolve concerns about preserving competition. The Department's Antitrust Division conducted a joint investigation with the Office of the Massachusetts Attorney General.

The banks agreed to sell 16 BayBanks and four Bank of Boston branch offices in the Boston metropolitan area in response to the Antitrust Division's concerns that the merger as originally proposed would lessen competition for banking services available to small and medium-sized businesses.

Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, said, "The Bank of Boston and BayBanks merger presented a significant risk to competition for business banking services in Boston and the surrounding metropolitan area. These divestitures will preserve competition in banking services provided to small and middle-sized businesses."

The Department said it will advise the Federal Reserve Board that, subject to divestiture of the branch offices and associated loans and deposits, the Department will not challenge the merger.

Bingaman added that the agreement also exemplifies the close cooperation between federal and state antitrust enforcement agencies which this administration has emphasized.

The banks also agreed that they would take no steps to preclude financial institutions from leasing or purchasing bank branches they may close due to consolidation. Subject to regulatory approvals, the 20 branches and associated loans and deposits that Bank of Boston and BayBanks will divest are to be acquired by USTrust.

Bank of Boston is based in Boston and has about 500 offices nationally with about \$30 billion in deposits and \$47 billion in assets.

BayBanks is based in Boston and has more than 200 offices with about \$10 billion in deposits and about \$12 billion in assets.

USTrust is also based in Boston and after the divestiture occurs will have 48 offices with about \$2.2 billion in deposits and \$2.7 billion in assets.

The proposed merger of Bank of Boston and BayBanks is subject to the approval of the Federal Reserve Board.

A list of the branches to be sold is attached.

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